

State Controller

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY PROGRAM					
Administration	541,400	491,000	512,800	531,700	497,700
Statewide Accounting	3,566,800	3,548,400	3,643,400	4,151,100	3,303,200
Statewide Payroll	3,704,300	3,168,100	3,080,700	3,286,900	2,947,200
Computer Center	8,438,100	7,611,200	8,707,700	8,467,600	8,284,200
Total:	16,250,600	14,818,700	15,944,600	16,437,300	15,032,300
BY FUND CATEGORY					
General	7,812,500	7,207,500	7,196,900	7,929,700	6,708,100
Dedicated	8,438,100	7,611,200	8,747,700	8,507,600	8,324,200
Total:	16,250,600	14,818,700	15,944,600	16,437,300	15,032,300
Percent Change:		(8.8%)	7.6%	3.1%	(5.7%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	7,603,200	6,725,300	7,627,600	7,962,300	7,650,200
Operating Expenditures	8,501,700	7,472,500	7,828,300	8,277,500	7,222,100
Capital Outlay	145,700	620,900	488,700	197,500	160,000
Total:	16,250,600	14,818,700	15,944,600	16,437,300	15,032,300
Full-Time Positions (FTP)	99.00	99.00	98.00	98.00	98.00

Department Description

The State Controller is one of seven statewide elected officials in Idaho. The State Controller's Office is organized into four divisions: (1) Administration; (2) Statewide Accounting; (3) Statewide Payroll; and (4) the Computer Center.

The Division of Administration includes the State Controller and central support employees.

The Division of Statewide Accounting is responsible for maintaining the state's accounting system, referred to as STARS (Statewide Accounting and Reporting System), and preparing statewide and agency-specific financial reports.

The Division of Statewide Payroll is responsible for paying and keeping personnel and payroll records for over 24,000 state employees on a bi-weekly basis. It accomplishes this through the Employee Information System (EIS), which consists of three major components: 1) Position Control; 2) Personnel; and 3) Payroll. The division is also responsible for all garnishment processing, tax reporting, interfacing with the Division of Statewide Accounting, and electronic fund transfers with major vendors associated with the payroll system.

The Computer Center maintains the state's central computer, and provides information technology services to all user state agencies.

[Statutory Authority: §67-1001 et seq., Idaho Code]

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Comparative Summary

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Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	98.00	7,196,900	15,944,600	98.00	7,196,900	15,944,600
Reappropriation	0.00	536,200	1,440,900	0.00	536,200	1,440,900
Omnibus Rescission	0.00	0	0	0.00	(274,100)	(274,100)
Health Insurance Reduction	0.00	0	0	0.00	(22,700)	(48,900)
Other Appropriation Adjustments	0.00	0	0	0.00	0	0
FY 2009 Total Appropriation	98.00	7,733,100	17,385,500	98.00	7,436,300	17,062,500
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2009 Estimated Expenditures	98.00	7,733,100	17,385,500	98.00	7,436,300	17,062,500
Removal of One-Time Expenditures	0.00	(879,600)	(2,229,600)	0.00	(879,600)	(2,229,600)
Additional Base Adjustment	0.00	0	0	0.00	2,700	2,700
FY 2010 Base	98.00	6,853,500	15,155,900	98.00	6,559,400	14,835,600
Benefit Costs	0.00	37,700	82,000	0.00	15,000	33,100
Replacement Items	0.00	51,800	105,400	0.00	33,400	67,900
Statewide Cost Allocation	0.00	3,000	(1,600)	0.00	3,000	(1,600)
Annualizations	0.00	1,300	1,300	0.00	1,300	1,300
Change in Employee Compensation	0.00	87,800	199,700	0.00	1,400	1,400
FY 2010 Program Maintenance	98.00	7,035,100	15,542,700	98.00	6,613,500	14,937,700
1. Request Carryover Authority	0.00	0	0	0.00	0	0
2. Additional Personnel Costs	0.00	0	0	0.00	0	0
3. Folder Sealer Equipment	0.00	94,600	94,600	0.00	94,600	94,600
4. Fraud Hotline	0.00	35,000	35,000	0.00	0	0
5. Systems Modernization Study	0.00	300,000	300,000	0.00	0	0
6. Transparency Project	0.00	250,000	250,000	0.00	0	0
7. Federal Withholding 3%	0.00	215,000	215,000	0.00	0	0
FY 2010 Total	98.00	7,929,700	16,437,300	98.00	6,708,100	15,032,300
Change from Original Appropriation	0.00	732,800	492,700	0.00	(488,800)	(912,300)
% Change from Original Appropriation		10.2%	3.1%		(6.8%)	(5.7%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	98.00	7,196,900	8,747,700	0	15,944,600

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance from FY 2008 into FY 2009. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base.

Agency Request	0.00	536,200	904,700	0	1,440,900
Governor's Recommendation	0.00	536,200	904,700	0	1,440,900

Omnibus Rescission

Agency Request	0.00	0	0	0	0
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General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.

Governor's Recommendation	0.00	(274,100)	0	0	(274,100)
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Health Insurance Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.

Governor's Recommendation	0.00	(22,700)	(26,200)	0	(48,900)
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Other Appropriation Adjustments

For FY 2009, the accounting payroll conference line item was mistakenly marked as one-time in the budget development system. The intent for this line item is ongoing and the motion in committee confirms this change.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

FY 2009 Total Appropriation					
Agency Request	98.00	7,733,100	9,652,400	0	17,385,500
Governor's Recommendation	98.00	7,436,300	9,626,200	0	17,062,500

Noncognizable Funds and Transfers

This FTP adjustment is reflected as a 0.35 FTP reduction in the Computer Service Center program and an increase in 0.35 FTP in the Administration program. Previously, this position had been allocated across all programs.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

FY 2009 Estimated Expenditures					
Agency Request	98.00	7,733,100	9,652,400	0	17,385,500
Governor's Recommendation	98.00	7,436,300	9,626,200	0	17,062,500

Removal of One-Time Expenditures

Agency Request	0.00	(879,600)	(1,350,000)	0	(2,229,600)
Governor's Recommendation	0.00	(879,600)	(1,350,000)	0	(2,229,600)

Additional Base Adjustment

Agency Request	0.00	0	0	0	0
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For constitutional officers, the Governor recommends no additional base reduction. The FY 2010 Base is 4.3% below the ongoing FY 2009 General Fund Original Appropriation.

Governor's Recommendation	0.00	2,700	0	0	2,700
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FY 2010 Base					
Agency Request	98.00	6,853,500	8,302,400	0	15,155,900
Governor's Recommendation	98.00	6,559,400	8,276,200	0	14,835,600

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	37,700	44,300	0	82,000
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	15,000	18,100	0	33,100
Replacement Items					
Includes a new telephone system for \$65,200; \$26,400 for 33 personal computers; \$9,900 for 33 monitors; \$1,200 for three printers; and \$2,700 for one high speed printer.					
Agency Request	0.00	51,800	53,600	0	105,400
<i>The Governor recommends replacing the State Controller's telephone system for \$65,200, and a high speed printer for \$2,700.</i>					
Governor's Recommendation	0.00	33,400	34,500	0	67,900
Statewide Cost Allocation					
The request includes adjustments to recover the costs of services provided to state agencies: a decrease of \$1,800 for State Controller fees; \$200 for State Treasurer fees.					
Agency Request	0.00	3,000	(4,600)	0	(1,600)
Governor's Recommendation	0.00	3,000	(4,600)	0	(1,600)
Annualizations					
This annualization represents a 1.5% salary increase for elected officials for July 1, 2009 to December 31, 2009.					
Agency Request	0.00	1,300	0	0	1,300
Governor's Recommendation	0.00	1,300	0	0	1,300
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase for employees and a 1.5% increase for elected officials for January 1, 2010 to June 30, 2010 in the appropriation request.					
Agency Request	0.00	87,800	111,900	0	199,700
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
<i>As required under Title 59, Chapter 5, Idaho Code, the Governor recommends the scheduled salary increases for elected officers. Current statute and Article V, Section 27 of the Idaho State Constitution, prohibit the reduction of officer salary increases regardless of the current General Fund outlook.</i>					
Governor's Recommendation	0.00	1,400	0	0	1,400
FY 2010 Program Maintenance					
Agency Request	98.00	7,035,100	8,507,600	0	15,542,700
Governor's Recommendation	98.00	6,613,500	8,324,200	0	14,937,700
1. Request Carryover Authority					
The agency requests authority to carryover any unencumbered and unspent appropriation balances from FY 2009 into FY 2010. Carryover requires legislative approval.					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reappropriation of unused funds to allow for purchase of equipment and software</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Additional Personnel Costs					Computer Center
This line item request transfers \$51,700 from operating expenditures to personnel costs. The agency states there is a current estimated shortfall in personnel costs, should staffing levels reach 100% for fiscal year 2010. For FY 2009, the agency will utilize group funding and salary savings to offset the shortfall. Currently, the Computer Center program has a position classified as an IT systems operator with funding for \$42,200, but the current needs in the agency is for an IT systems programmer and the budget for that position is \$93,900 (\$33.65/hour). The agency has asked to reclassify this position and requests the necessary personnel costs for this reclassification.					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends this line item as requested.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Folder Sealer Equipment					Statewide Accounting
This line item request is to replace the existing folder/sealer equipment and provide a redundant system that will guarantee meeting the state's financial obligations. Currently, the state's redundancy system is through Albertson's corporate offices. The contract has gone away since Albertson's was bought out and had its corporate offices moved to Minnesota. This equipment signs, folds, and seals state warrants. This request includes the one-time cost of purchasing two folder/sealer machines for \$92,100 (each machine costs \$46,050) and \$2,500 for ongoing maintenance. The original system (one machine) was purchased in December 1992 and the original cost was \$63,849.					
Agency Request	0.00	94,600	0	0	94,600
<i>The Governor recommends this line item as requested.</i>					
Governor's Recommendation	0.00	94,600	0	0	94,600
4. Fraud Hotline					Statewide Accounting
This line item request is for \$35,000 ongoing General Funds for the creation of an Idaho Fraud Hotline. The State Controller is planning to contract with an outside firm to provide a Fraud Hotline service for the citizens of Idaho. Estimated costs are \$25,000 for the contract with an additional \$10,000 for ongoing marketing.					
Agency Request	0.00	35,000	0	0	35,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
5. Systems Modernization Study					Statewide Accounting, Statewide Payroll
This line-item request of \$300,000 one-time General Funds is to determine the appropriate direction for modernizing the HR/payroll and accounting system. The current accounting and financial reporting system (STARS) was acquired in 1988. Some agencies find the usefulness of this system to be outdated and are implementing more modern accounting systems. This is problematic because these efforts are duplicative rather than centralized, which was the point of a STARS and HR/payroll system. The current payroll legacy system, Employee Information System (EIS), was acquired in 1986. While there have been significant improvements for web-based activities (IPOPS, I-Time, and IBIS), the overall performance is reliant on 1986 technology.					
Agency Request	0.00	300,000	0	0	300,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Transparency Project					Statewide Accounting
This line item request is to develop a website for citizen access to state expenditures for \$15,000 ongoing General Funds and \$235,000 one-time General Funds. This system will be a searchable database by agency or by total expenditures. There is no current funding in the Base for this project. A realignment of current staffing is sufficient to serve this new program.					
Agency Request	0.00	250,000	0	0	250,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Federal Withholding 3%					
Statewide Accounting					
This line-item request is to develop an automated system that will calculate, remit, and report 3% withholding on certain vendor payments as required by Internal Revenue Service Code Section 3402(t), effective for payments after December 31, 2010. The request includes \$15,000 General Funds for ongoing maintenance and \$200,000 one-time General Funds for implementation and programming.					
Agency Request	0.00	215,000	0	0	215,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Total					
Agency Request	98.00	7,929,700	8,507,600	0	16,437,300
Governor's Recommendation	98.00	6,708,100	8,324,200	0	15,032,300
Agency Request					
Change from Original App	0.00	732,800	(240,100)	0	492,700
% Change from Original App	0.0%	10.2%	(2.7%)		3.1%
Governor's Recommendation					
Change from Original App	0.00	(488,800)	(423,500)	0	(912,300)
% Change from Original App	0.0%	(6.8%)	(4.8%)		(5.7%)